

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE **AUG 03 2006**

LEASE #GS-11B-01932

THIS LEASE, made and entered into this date between **Judiciary Plaza Limited Partnership**  
whose address is **1233 20<sup>th</sup> Street, NW, Suite 206**  
**Washington, DC, 20036**

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the Government.

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WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

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1. The Lessor hereby leases to the Government the following described premises:

A total of 461,886 BOMA Rentable Square Feet (BRSF) (yielding 400,643 ANSI/BOMA Office Area Square Feet (BOASF)) and consisting of 17,513 BRSF (15,797 BOASF) located on a portion of the 1st floor; 33,815 BRSF (28,630 BOASF) located on the entire 2nd floor; 42,706 BRSF (37,142 BOASF) located on each of the entire 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> floors; 25,143 BRSF (20,330 BOASF) located on the entire 9th floor; 33,615 BRSF (28,441 BOASF) located on each of the entire 10<sup>th</sup> and 11th floors; and 48,346 BRSF (44,156 BOASF) located on a portion of level C-1; and 13,603 BRSF (11,996 BOASF) located on the entire level C-3 in the building known as Liberty Square, located at 450 Fifth Street, N.W., Washington, DC, 20001 to be used for SUCH OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT (See Exhibit A – Floor plans of leased premises). The Federal Government shall be the only tenant in the building, except retail provided in accordance with the SFO.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term commencing in accordance with the terms of the Solicitation for Offers SFO # 06-021 (SFO), including SFO paragraphs 1.7 and 3.17, and General Clauses 12 and 20, and continuing for 15 years from the commencement date. The commencement date and term shall be established in accordance with the SFO in a Supplemental Lease Agreement.

3. The Government shall pay the Lessor annual rent of \$19,723,654.89 (\$49.23/BOASF; \$42.70/BRSF) at the rate of \$1,643,637.91 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: **Judiciary Plaza Limited Partnership**, 1233 20<sup>th</sup> Street, NW, Suite 206, Washington, DC, 20036, or in accordance with the provision on electronic payment of funds.

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4. (Intentionally Deleted)

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5. (Intentionally Deleted)

(b) (6)

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6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

A. All services, utilities, alterations, repairs, maintenance, daytime cleaning, Monday through Friday during normal hours of operation, as well as any other right and privilege, all as and to the extent stipulated by this Lease, the SFO and its Attachments, are included as a component of the rent.

B. The Lessor shall provide to the Government a Tenant Improvement Allowance in the amount of \$16,626,684.50 (\$41.50/BOASF). Such Allowance shall be available in full immediately upon execution of this Lease, but shall be held by the Lessor until directed by the Government on how the disbursement of funds shall occur. The Government shall have the full latitude to direct disbursement of funds in accordance with the SFO and/or to offset the Government's rental obligation to the Lessor. This Tenant Improvement Allowance is included in the rent, with the (b) (4) term. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the (b) (4) amortization rate. A mutually agreed upon Supplemental Lease Agreement will be executed upon the Government's acceptance of the space as substantially complete that finalizes the rent using the final Tenant Improvement allowance utilized. The actual cost of the Tenant Improvements will be determined by the competition and cost proposal process as set forth in Paragraph 1.11 "Tenant Improvement Rental Adjustment" and Paragraph 3.2 "Tenant Improvements Prior to the Government's Initial Acceptance of Space."

C. A Brokerage Commission and Commission Credit of (b) (4) is due and payable as follows: (b) (4) is due to Studley, Inc. upon an award of this Lease and payable within 30 days of the receipt of an invoice. The remaining amount of (b) (4) is the Commission Credit and shall be paid as free rent in equal monthly installments of \$1,185,062.93 each during the first three full months of the lease.

D. For purposes of Paragraph 3.4(F) and 3.5 of the SFO, as of the date hereof, the Government's percentage of occupancy is (b) (4). Evidence of payment of taxes shall be furnished as provided by Paragraph 3.4 D of the SFO.

E. For purposes of Paragraphs 3.6 and 3.7 of the SFO, as of the date hereof, the operating cost base is \$(b) (4).

F. Pursuant to Paragraph 3.10 "Common Area Factor", the Add-On Factor is determined to be 1.15286178, calculated as follows: 461,886 BRSF/400,643 BOASF.

G. In connection with the buildout of tenant improvements, the following limits on markups shall apply: Offeror's General Contractor's fee shall not exceed (b) (4). Lessor's overhead and profit shall not exceed (b) (4). General Conditions shall not exceed (b) (4) and architectural/engineering cost shall not exceed (b) (4). The combined markup shall not exceed (b) (4). These markups are all subject to the right of the Government to reasonably negotiate individual markups based upon the actual scope of work of the requirement.

H. The space shall be available for the commencement of tenant improvements at award.

I. Pursuant to paragraph 7.2 of the SFO, services, utilities, and maintenance shall be provided daily, extending from 7:30 am to 6:30 pm, Monday through Friday and 9:00 am to 3:00 pm on Saturdays, excluding Sundays and federal holidays. The services, utilities, and maintenance provided Monday through Friday from 5:30 pm to 6:30 pm and on Saturday from 9:00 am to 3:00 pm are at no cost to the Government except, as included in the annual rent stated above. Beyond the aforementioned hours, the overtime HVAC service rate shall be \$20.00 per hour for each half floor with a two hour minimum. The rate shall increase to \$25.00 per hour per half floor after 200 hours of overtime HVAC have been used per lease year. These charges are inclusive of all labor, maintenance, and service fees. These rates shall escalate in a manner consistent with section 3.6 "Operating Costs in the SFO."

J. Included in the rent at no additional cost to the Government are a variety of amenities, services and equipment, as more fully set forth at Attachment L to this SF2 (set forth in XIII (F) of the initial offer), which shall be provided and maintained by the Lessor at Lessor expense through the lease term.

(b) (6)

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K. Pursuant to Paragraph 9.6 of the SFO, the Government has full security control over all parking areas, surface or structured. During the term of the lease, the Government, including authorized Government employees, may lease up to 242 parking spaces in the building's garage at \$3,001.28 per space per year. In addition, at any time during the term of the Lease, the Government may elect, by written notice to Lessor, that it will lease the entirety of the garage, effective on the commencement of the first day of the first month following the notice, at an annual rental of \$726,309.76 as of the rent commencement date, escalating thereafter at the rate identified in the following sentence (inclusive of operating expenses and taxes, adjustments, charges, or assessments of any kind) for 91,590 useable square feet of space for 244 parking spaces. Commencing on the first anniversary of the Lease, and every anniversary thereafter, the annual parking rent shall increase by 2% of the previous year's adjusted rate. In the event of the election to lease the entire garage, the Government will provide two spaces subject to Government security procedures, for the exclusive use of the building engineers. The election to lease the entire garage may be accomplished, at the election of the Government, by amendment of this Lease in accordance with the terms set forth herein, or by a separate operating agreement with the Lessor not inconsistent with the terms set forth herein.

L. The Lessor shall not make any substitutions of key personnel set forth in the list attached as Attachment K to this SF 2 without the advanced written permission of the Government. Substitutions will only be permitted where the Lessor can demonstrate to the satisfaction of the Government that the proposed substitution has qualifications and experience equal to or greater than the individual being replaced.

M. Upon request of the Government, Lessor agrees to furnish an updated SFO Attachment #2 for Fire Protection and Life Safety Evaluation. Lessor shall ensure and provide as necessary at Lessor expense, all Fire and Life Safety improvements of this SFO to ensure that the building meets all local and national codes including NFPA 101. Lessor agrees to make improvements specified as part of the Attachment #2 and as recommended by GSA fire safety review. All improvements must be made prior to the Government's acceptance of space.

N. Prior to occupancy, Lessor agrees to furnish a seismic certification showing compliance with section 2.2 "Accessibility and Seismic Safety" of the SFO and certify that all seismic modifications identified in section 7(E) of this SF-2 have been completed.

O. The Government shall have the option, exercised at any time prior to occupancy by written notice to the Lessor, to lease additional space on the C-1 and C-2 level with a ceiling height that does not meet the requirements of the SFO. This space is approximately 1,951 BRSF on the C-1 level and 13,636 BRSF on the C-2 level. The rental rate for this space shall be \$28.00/rsf and shall include \$10.00/rsf in Tenant Improvement Allowance. In the event of the exercise of the option, a Supplemental Lease Agreement shall be executed.

P. Space on the C-1 level has a minimum live load capacity of 130 pounds per BOUSF and 20 pounds per BOUSF for movable partitions. Space on the C-2 and C-3 levels, including the space that is the subject of the option set forth in subparagraph O above, provide improved floor loading capacity of 180 pounds per BOUSF and 20 pounds for movable partitions.

Q. Lessor and the Government shall negotiate a schedule for the design, construction and delivery of space that is consistent with the terms and the timeframes set forth in the SFO, and shall execute a Supplemental Lease Agreement that sets forth the schedule.

R. In the event of a conflict between this SF2 and any other documents that comprise the Lease, the SF2 shall govern.

7. The following are attached and made a part hereof:

- A. Exhibit A-Floor Plans of the Leased Area and Summary of Space By Floors
- B. Solicitation For Offers No. 06-021- 58 pages
- C. Attachment # 1 to SFO, Rate Structure - 2 pages
- D. Attachment #2 Fire Life Safety Evaluation - 16 pages
- E. Seismic Certification
- F. Pre-Lease Building Security Plan with election provided by Paragraph 9.8(A) of the SFO
- G. GSA Form 1217
- H. GSA Form 3517
- I. GSA Form 3518
- J. Small Business Subcontracting Plan
- K. List of Key Personnel
- L. List of Additional Amenities, Services and Equipment

8. The following changes were made in this lease prior to its execution:

Paragraphs 4 and 5 have been deleted in the entirety.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.  
Lessor: Judiciary Plaza Limited Partnership

By: Brophy Properties, Inc., its Managing General Partner

By: CEI Realty, Inc., General Partner

By: Raymond C. Brophy, its President

By: Lawrence C. Nussdorf, its President

By:

(b) (6)

Raymond C. Brophy

By:

(b) (6)

Lawrence C. Nussdorf

IN PRESENCE

OF

(b) (6)

ADDRESS

3711 Bradley Ln, Chevy Chase, MD  
20815

IN PRESENCE

OF

(b) (6)

ADDRESS

360 Circle Trail, Crownsville, Md.  
21032

UNITED STATES OF AMERICA

BY

(b) (6)

(b) (6)

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